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R+D

1 April 1963

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed [] R&D Contract

1. At [] request, [] and I met with [] OSA Procurement, and [] OSA Security, on Friday morning, 29 March 1963, to discuss the proposed contract between NPIC and [] for a research and development contract. The purpose of the meeting was to determine from OSA whether or not it would be mandatory for security reasons for NPIC to utilize the OSA procurement channel for this contract rather than the standard Office of Logistics/Procurement Division mechanism.

2. In order to explain to the OSA officials at the meeting the scope and purpose of the proposed contract, a copy of a proposed cable from [] was shown to the group and was read by each one of them. I explained to [] that I was not too familiar with the detailed background of this contract at this stage, but was primarily interested in discussing the security ramifications of the contract and any reasons why this should be handled by OSA.

3. [] gave a historical runout of the OSA relationship with [] the physical plant, and the [] personnel involved. He stated that the OSA is currently monitoring six or seven contracts with [] including a [] R&D contract funded by NRO which was negotiated several months ago. In addition, the Air Force/Space Systems Division has [] R&D contract with []. Both of these contracts are being worked on at a specially constructed facility [] under the security cognizance of OSA utilizing personnel cleared through the OSA security mechanism. It was further pointed out that under the proposed NPIC R&D contract [] the same personnel and facility would be utilized as in the OSA and AF/SSD contracts. [] concluded that for security reasons it was mandatory that the NPIC utilize the OSA procurement channel for this contract. [] the OSA Security Officer, concurred in this statement.

4. Immediately upon returning from Langley, [] and I briefed [] on the results of this meeting. [] confirmed [] statements concerning the personnel and physical facility that will be utilized for this contract. As a result, I recommended to [] that the OSA procurement channel be utilized and that a system for contract administration be set up between OSA Procurement and NPIC AS/Log for the contract administration of this program.

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